

Department of Public Health  
and Human Services

Section:  
CASE MANAGEMENT

TANF CASH ASSISTANCE

Subject:  
Sanction

**Supersedes:** TANF 702-3 (01/01/06)

► **References:** 45 CFR 261.13 -.15; ARM 37.78.102, .216, and .506; Deficit Reduction Act of 2005;

► **GENERAL RULE**– There are specific eligibility requirements TANF cash assistance participants must fulfill to remain eligible for benefits. A sanction is imposed when the TANF cash assistance participant, who is required to complete a Family Investment Agreement and WoRC Employability Plan (FIA/EP), fails or refuses to comply, without good cause, with activities negotiated with either Tribal NEW or WoRC. A sanction has two elements:

1. evaluation of good cause (Sections 702-2 and 1509-1), and
2. penalty.

► **FS NON-COMPLIANCE** The Food Stamp allotment must be redetermined when there is a TANF non-compliance. Refer to FS Policy Manual section 602-5.

► **SUPPORTIVE SERVICES** Supportive Service payments are not allowed for any sanctioned individual during the one-month decrease/penalty month, even if the sanctioned individual is a work-eligible individual (natural or adoptive parent) and mandated to participate in activities during the sanction penalty month. Supportive services are not allowed for any sanctioned individual who chooses to participate during the ineligibility month.

► **PENALTY VS. INELIGIBILITY MONTH** The month of the 1<sup>st</sup> sanction is referred to as the ‘penalty month’ because there is the penalty of a reduced benefit. The ‘ineligibility’ month refers to total case closure for one month and is imposed either of the following:

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1. The month following the 1<sup>st</sup> sanction penalty month when an individual who is not required to participate during the sanction penalty month fails to negotiate a new FIA/EP by the end of the penalty month for the following month; or
  2. The month following closure of the case for a second or subsequent sanction.

► The sanction process does not occur in extended benefit cases. (Section 801-3.) Sanctions for non-compliance end when the 60<sup>th</sup> month is used.

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Neither a sanction penalty month nor an ineligibility month can be imposed past the 60<sup>th</sup> month.

► **SANCTION  
RECOMMENDATION**

The date of the sanction recommendation is the date the sanction paperwork is received in the OPA. (This does not mean the Sanction Review Committee must meet immediately.)

► **CLOSED CASE  
(NO SANCTION)**

A sanction recommendation cannot be acted on if the sanction recommendation is **received**:

**after** the participant requests closure for any reason **or**

**after** a request for closure is received from CSED, TPL or Program Compliance **or**

**after** information is received that would require the case to be closed, such as a report of income that would cause the case to be closed prospectively **or**

**after** a closure code has been entered on AFED and the closure letter has been mailed to the participant.

**NOTE:**      **The appropriate action must be taken in the same chronological order that the events occurred. Whatever happened first, needs to be acted on first. An exception may be in the case of employment.**



If the sanction recommendation cannot be acted on, based on any of the above criteria, even if the participant later requests that their case is reverted to open, the sanction cannot be imposed. If a new sanction recommendation is received, the normal sanction process is followed.



**EXAMPLE**

Participant requests closure on December 1. The Eligibility Case Manager closes the case and sends notice on December 10.

On December 8, a sanction recommendation is received from the WoRC Case Manager. This sanction cannot be imposed because the request for closure happened prior to the sanction recommendation.

On December 29, the participant requests the case be reverted to open. The case is reverted to open and a new FIA is negotiated for January.

**NOTE:** The Eligibility Case Manager should notify the WoRC Case Manager when the case is reverted to open. A new sanction recommendation could be made for non-participation in December, if appropriate, and sanction imposed in February.

► The WoRC Case Manager must negotiate a new employability plan with the participant for January.

**► CLOSED CASE  
SANCTION  
IMPOSED**

A sanction should be imposed if the sanction recommendation is received before the **report** of the situation that results in case closure. If the closure notice was sent prior to the sanction being acted on; the case would be reverted to open and the sanction entered on EMPL before issuance (cutoff). The case would then be closed again. The sanction notice would only need to be mailed if the participant requested benefits for the penalty month.

**NOTE:** If the sanction is not entered before issuance (cutoff), it will not be imposed for the next benefit month, but instead for the following one. For example, a sanction entered on EMPL on August 27 would not be imposed until October.

► **EXAMPLE**

On December 1, a sanction recommendation is received from the WoRC Case Manager.

On December 2, before the Sanction Review Committee can meet or make a decision, the Eligibility Case Manager receives an alert from CSED that the participant is not complying.

On December 5, the Eligibility Case Manager closes the case and sends TEAMS notice A606 "TC Closure Non-Coop with CSED".

On December 6, the Sanction Review Committee agrees with the sanction recommendation. This sanction must be imposed. The Eligibility Case Manager reverts the case to open and enters the sanction next to the WRC component on the December EMPL. This must be done before issuance (cutoff). The case would then be closed again. The sanction notice would only need to be mailed if the participant requested benefits for the penalty month.

On December 30, the participant reports and CSED confirms that they are again in compliance. The Eligibility Case Manager must send the appropriate sanction notice. Due to prior closure notice, this is not a negative action so timely notice is not required.

- **FIRST SANCTION** The first sanction implemented after July 1, 2004, will result in a one-month decrease in the household's benefits. The sanctioned individual is still eligible for benefits. However, the household's grant will decrease by an amount equal to one person's share of the payment and the individual may be required to participate in activities during the reduction month. (See section titled "Participation During the One-Month Decrease.")
- The reduction is accomplished by coding the sanctioned individual(s) as 'DQ' on SEPA with an 'SN' reason code. If two individuals are sanctioned, the reduction is equal to two people's share of the payment.
- The one-month decrease begins the first of the month after giving timely notice to the participant. If the benefit month has been authorized, TEAMS will deauthorize and the Deauth message will be displayed. If timely notice cannot be sent, the imposition of the one-month decrease must be set to begin the next benefit month.
- During the one-month decrease, the sanctioned individual's time clock continues to increment - "tick" – regardless of their participation requirements. If the case is closed, the timeclock does not increment. (See Section 802-1 for timeclock information.)
- **NOTE:** In order for the clock of a sanctioned teen parent (Adult/Child indicator 'I') to tick during a sanction, the PTP exemption code must be removed from AF SEPA. An alert should be set to re-enter the PTP exemption code once the sanction has been served.
- **PARTICIPATION DURING THE ONE-MONTH DECREASE** If the sanctioned individual is a natural or adoptive parent of a minor child receiving TANF in the household, they are considered a work eligible individual (TANF 701-1) and are required to negotiate and agree to participate in work activities during the sanction penalty month. The FIA/EP may contain different work activities than were previously negotiated. During that month, childcare coverage will still be available to allow the sanctioned parent to participate in the negotiated work activities.
- **NOTE:** If the sanctioned parent fails to negotiate a FIA/EP for the sanction penalty month by the last day of the month (or the first working day following the last day of the month if the last day of the month is on a weekend or holiday), the case is closed for failing an eligibility requirement. No decreased benefits are issued.
- If the sanctioned individual is not required to negotiate a FIA/EP and agree to participate in work activities during the sanction penalty month, (TANF 701-1) but wants to continue to participate in previously negotiated activities during the one-month decrease, they can.

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During that month childcare coverage will still be available to allow the sanctioned individual to participate in those activities. However, if the non-parent fails to participate after choosing to continue to participate, no additional penalties are imposed.

If the individual is participating in a WEX, Worker's Compensation coverage will also continue for the month.

**► SANCTIONED  
INDIVIDUAL  
LEAVES  
HOUSEHOLD**

If the household reports that the sanctioned individual has left the household and is expected to be gone more than 90 days, the household is required to sign a statement that the household member is not temporarily out of the home and is not expected to return within 90 days. (See TANF 302-1 Temporary Absence.) Household composition should be considered questionable. (See TANF 103-4 for process on verifying questionable household composition.)

In order to remove the sanctioned individual from the household, once verification is received, the sanction must be lifted via SAMA (see cancel/remove a sanction process on page 10). Once the sanction is lifted, the individual must be coded 'OU' on AF SEPA and removed from the household via DECC.

**► ENDING THE  
FIRST SANCTION**

During the one-month decrease, a participant who is not required to negotiate a FIA/EP and agree to participate in work activities during the sanction penalty month (See Participation During the One-Month Decrease Section) may end the first sanction by negotiating a new FIA/EP for the **next** month. Full benefits will be reinstated the first of the **next** month once all requirements are met.



1. If the case has been closed, TEAMS will not allow the case to be reverted to open based on the sanction. In this instance, an application must be registered using the date of request as the application date and the first of the next month as the benefit start date. If the case was not closed yet, move on to step 2.

2. The Eligibility Case Manager would change the individual's participation code on SEPA from 'DQ' to 'IN' for the **next** month.



3. A referral would be made to either Tribal NEW or WoRC on EMPL. (A referral to WoRC will trigger an alert on RELI).

4. If the referral is to NEW, benefits can be authorized for the next month and if the case has been closed, send TEAMS notice X-501 "Revert to Open".

5. If the referral is to WoRC, benefits cannot be authorized until the participant negotiates a Family Investment Agreement/WoRC

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Employability Plan (FIA/EP). If the case was closed, send TEAMS notice X-501 once the FIA/EP is negotiated.

**► INELIGIBILITY  
PERIOD  
(FIRST SANCTION)**

If during the one-month decrease, the individual who is not required to participate does not end the sanction by negotiating a new FIA/EP for the next month, the case is closed at the end of the one-month decrease. TEAMS notice A-601 must be sent to give timely notice of adverse action.

The case must remain closed for at least one month (ineligibility period) following the sanction **as long as the sanctioned individual is a required filing unit member.**



If the household reports that the sanctioned individual has left the household and is expected to be gone more than 90 days, the household is required to sign a statement that the household member is not temporarily out of the home and is not expected to return within 90 days. (See TANF 302-1 Temporary Absence.) Household composition should be considered questionable. (See TANF 103-4 for process on verifying questionable household composition.)



If the household provides the signed statement and verification of household composition, the remaining household members may be eligible for TANF. A new application (HCS-250) is only required if the report of the change in household composition is made and verified after the effective date of closure and they wish to receive TANF cash assistance.

**► SANCTION/  
INELIGIBILITY  
MONTH FOLLOWS  
INDIVIDUAL**

If a sanctioned member leaves the assistance unit and moves into another TANF household, the sanction/ineligibility month follows him/her to the other household.

**FIRST SANCTION  
PROCEDURE**

Complete the following procedure to assure the sanction is entered and penalty period is imposed and recorded on TEAMS.

**RESPONSIBILITY**

**ACTION**

**Eligibility  
Case Manager:**

1. Upon approval of the Sanction Review Committee or upon sanction referral from Tribal NEW, go to the EMPL screen and enter 'S' next to the appropriate component. TEAMS will go to SAMA.
2. On SAMA, add information in the COMMENTS field, and press enter to store the sanction. Then press F5 to return to EMPL. Benefits will be deauthorized.

3. Go to SEPA and change the sanctioned individual's Part Code from 'IN' to 'DQ' and enter the 'SN' reason code.
4. Notify the Section 8 housing provider using the HCS-783 "Sanction Housing Notification," if the individual is in Section 8 housing.

**NOTE:** This is not a mandatory form but it has been revised and may be useful as a communication tool with Section 8 housing.

5. Determine the Food Stamp noncompliance adjustment.
6. Complete eligibility and benefit determination. If eligible, authorize benefits. Document action taken in TEAMS Case Notes (CANO). Send timely sanction notice informing participant of the following:



- a. He/she failed to comply with negotiated activities.

- b. He/she may respond within ten (10) days from the date of the notice to discuss a claim of good cause.



- c. If no good cause is presented, a sanction will be imposed.

- d. The grant will be reduced by an amount equal to the needs of one household member for one month or the case has been closed because income exceeds grant.

- e. The family's Food Stamps will not increase because of the sanction.

- f. If using child care assistance, they must contact the local R & R Agency.

- g. Change reporting is still required if they continue to receive assistance.



- h. If the individual is required to negotiate a FIA/EP and agree to participate in work activities during the one month sanction penalty month, (TANF 701-1) they must negotiate a FIA/EP for the penalty month to avoid case closure and to receive the decreased TANF benefits during the penalty month.

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- i. If the individual is not required to participate during the sanction penalty month, the individual can avoid an ineligibility month by negotiating a new FIA/EP prior to the end of the sanction penalty month.

**WORC CASE MANAGER**

Notify the R & R of the sanction and to discontinue childcare assistance if appropriate.

**ELIGIBILITY CASE MANAGER**

- 7. If the individual who is not required to participate during the sanction penalty month does not end the sanction by negotiating a new FIA/EP during the penalty month, close the TANF cash assistance case with the 'SAN' closure code. The family must serve a one-month ineligibility period if the sanctioned individual remains in the household. Timely notice of closure must be sent (TEAMS notice A-601).
8. If the TANF cash assistance case is closed and the household does not reapply for benefits by the end of the ineligibility month a follow-up notice must be sent. (TEAMS notice X-217)

**► SECOND AND SUBSEQUENT SANCTIONS**

Second and subsequent sanctions implemented after July 1, 2004, will result in the imposition of a one month **ineligibility period** for the household. The case is closed giving timely notice and the household is not eligible for one month. The case must remain closed for at least one month (ineligibility period) as long as the sanctioned individual is a required filing unit member.

If the household reports that the sanctioned individual has left the household and is expected to be gone more than 90 days, the household is required to sign a statement that the household member is not temporarily out of the home and is not expected to return within 90 days. (See TANF 302-1 Temporary Absence.) Household composition should be considered questionable. (See TANF 103-4 for process on verifying questionable household composition.)

If the household provides the signed statement and verification of household composition, the remaining household members may be eligible for TANF. A new application (HCS-250) is only required if the report of the change in household composition is made and verified after the effective date of closure and they wish to receive TANF cash assistance.



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**► TIMECLOCK  
DURING  
INELIGIBILITY  
MONTH**

The timeclock does not increment during the ineligibility month unless the participant requests and receives continuation of benefits pending a Fair Hearing. Once the benefit is authorized, the timeclock will increment –“tick” – even if the Hearings Officer rules in favor of the State and the participant is required to repay the benefits.

In this situation, the participant will be considered to have served the one month ineligibility period due to having to repay the continued benefits.

**► PARTICIPATION  
DURING THE  
ONE-MONTH  
INELIGIBILITY**

If any participant wants to continue to participate in previously negotiated activities during the one-month ineligibility period, he/she can. During that month, childcare coverage will still be available to participate in those activities. If the individual is participating in a WEX, Worker's Compensation coverage will also continue for the month.

**SECOND AND  
SUBSEQUENT  
SANCTION  
PROCEDURE**

Complete the following procedure to assure the sanction is entered and the ineligibility period is imposed and recorded on TEAMS.

**RESPONSIBILITY****ACTION:****Eligibility  
Case Manager:**

1. Upon approval of the Sanction Review Committee or upon sanction referral from Tribal NEW, go to the EMPL screen and enter 'S' next to the appropriate component. TEAMS will go to SAMA.
2. On SAMA, add information in the COMMENTS field, and press enter to store the sanction. Then press F5 to return to EMPL Benefits will be deauthorized.
3. Go to SEPA and change the sanctioned individual's Part Code from 'IN' to 'DQ' and enter the 'SN' reason code.
4. Notify the Section 8 housing provider if the individual is in Section 8 housing using the HCS-783 “Sanction Housing Notification”.
5. Determine the Food Stamp noncompliance adjustment.
6. Close the case using the ‘SAN’ closure code.

Document action taken in TEAMS Case Notes (CANO). Send timely sanction notice (TEAMS notice A-609) informing participant of the following:

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- a. Informs the participant he/she may respond within ten (10) days from the date of the notice to discuss a claim of good cause.
- b. Failed to comply with the Family Investment Agreement/WoRC Employability Plan (FIA/EP).
- c. If no good cause a sanction will be imposed.
- d. The case is closed and must remain closed for one month.
- e. The family's Food Stamps will not increase because of the sanction.
- f. If using child care assistance, they must contact the local R & R Agency.
- g. If after the ineligibility month the household wishes to receive TANF cash assistance, a new application must be submitted.

**WORC CASE  
MANAGER**

- 7. Notify the R & R of the sanction and to discontinue childcare assistance if appropriate.

**ELIGIBILITY  
CASE MANAGER**

- 8. If the household does not reapply for benefits by the end of the ineligibility month, a follow-up notice must be sent. (TEAMS notice X-217)

**INELIGIBILITY  
FOLLOW-UP**

If the TANF cash assistance case is closed and the household does not reapply for benefits during the ineligibility period, a follow-up contact must be initiated 30 days after the effective date of closure. The contact is made by sending TEAMS notice X217 "Sanction Follow-up".



The household must complete a new Application for Assistance (HCS-250) if they wish to receive TANF cash assistance after the ineligibility month, regardless of participation during the ineligibility month.

**CANCEL/REMOVE  
A SANCTION**

Once imposed, a sanction is canceled or removed only if the participant has good cause as determined by the Sanction Review Committee (Sections 1509-1 and 702-2), a Fair Hearing and continued benefits have been requested, a Fair Hearing decision is in his/her favor, or an administrative error has occurred. An Eligibility Supervisor has the ability to take the necessary action.

- **NOTE:** If verification has been received that the sanctioned individual has left the household, in order to code the individual 'OU' on TEAMS, the sanction must be lifted. In this instance, however, the sanction does still count against the individual. A TEAMS case note titled "Sanction Lifted—Remove from HH" must be entered. An alert should also be set for a time period 6-12 months in the future indicating the sanction is still considered imposed, even though it will not show on the Sanction Person History (SAPH) screen in TEAMS.

### REMOVING A SANCTION- PROCEDURE

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- If a sanction must be lifted; the Eligibility Supervisor is authorized to do so using the following procedure:
1. From EMPS select the participant who is sanctioned by placing the cursor or entering a character in front of his/her name. Press Enter.
  2. This will bring up EMPL for that participant. Access the SAMA screen from the EMPL screen by entering an 'S' in the select field next to the component in question. A blank SAMA screen will appear.
  3. On SAMA, in the 'Sanction number field', enter the number of the sanction to be removed. Press Enter to display that sanction.
  4. Tab to the 'Remove Sanction field'. Enter your password. Press ENTER.

Once the sanction is removed, eligibility must be redetermined and a new FIA/EP must be negotiated. Change the individual's Part Code on AF SEPA from 'DQ' to 'IN'. The Eligibility Case Manager must redetermine Food Stamp eligibility and allotment. Document action in TEAMS Case Notes (CANO).

- NOTE:** If this action occurs after TEAMS Cutoff, a supplement may need to be issued.

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